



Client Profiling and Premium Partnering

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THE STRENGTH TO BE THERE.™

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Important

The information presented may answer some questions, but is not intended as a comprehensive analysis of the topic. Neither AIG Life Brokerage, American General Life Insurance Company, AIG, its affiliates, employees, or representatives assume any fiduciary responsibility in presenting this presentation.

In addition, this presentation should not be relied upon as the only source of information. Competent tax and legal advice should always be obtained.

Life insurance policy cash values are accessed through withdrawals and policy loans. Loans are at interest. Unpaid loans and withdrawals cause a reduction in cash values and death benefits.

In general, loans are not taxable, but withdrawals are taxable to the extent that they exceed basis in the contract. Loans outstanding at policy lapse or surrender prior to the death of the insured, will cause immediate taxation to the extent of the gain in the contract.

For policies that are Modified Endowment Contracts, distributions (including loans) are taxable to the extent of income in the contract, and an additional 10% federal income tax may apply.

All guarantees are based on the claims-paying ability of the issuing company.

What we will cover...

- The inefficiencies of the traditional Wholesaling model
- How the Profiling process is different
- Why Premium Partnering is a better implementation strategy

Traditional Wholesaling Model

- Product – centric – emphasize rates, underwriting advantages
- Idea – centric – promote sales ideas to Financial Advisors
- Relationship based – more emphasis on practice growth and management

Traditional Wholesaling Model

- Present insurance solutions to the Financial Advisor
- “Find someone who will buy this product”
- Emphasis on Financial Advisor’s ability to sell

Traditional Wholesaling Model

Undesired side effects

- Reactionary sale –adverse selection
- Smaller cases
- Reduced placement rate

Why buy life insurance?

- Replace human life value
- Pay death taxes & transfer costs
- Fund a business transfer
- Indemnify a business for a key person loss
- Pay off a mortgage

Why buy life insurance?

- Create or replace a charitable gift
- Pay off a loan-business or personal
- Equalize inheritances
- Provide for special need children or adults
- Create cash value for education, retirement supplement, other goals

So...
Who buys which of these solutions?

**Profiling Process -
Identifying prospects predisposed to
benefit and to buy insurance
solutions by their demographics and
their actions**

Profile One

- **Need to build assets for retirement**
 - **Are ages 35-55**
- **Have income of \$500,000 or more**
 - **Have maximized their 401(k) or profit sharing plan**
- **Have a 10 year investment horizon**

Profile Two

- Own a closely held business worth \$5,000,000 or more
 - Would like their business to continue in the event of their death or disability
- Would like to keep the business in the family
- May be interested in reviewing a supplemental insurance plan

Profile Three

- Are ages 60-80
- Have an IRA worth \$1,000,000 or more
- Have deferred annuity worth \$1,000,000 or more
- No longer need income from the asset
- Would like to reduce tax liability for heirs

Profile Four

- Are concerned about transferring their estate to heirs
 - Have assets in excess of \$10,000,000
- Are concerned about estate taxes
 - Are charitably inclined
- Have children or grandchildren they care about

Profile Five

- Own life insurance policies for more than \$1,000,000
- Have not reviewed policies in the last five years
- Would be interested in lowering premium or in increasing coverage
- Have a life policy with more than \$250,000 of cash value

Client Profiling

Positive Benefits

- Proactive approach
- Larger cases
- More efficient – Higher closing percentage

Premium Partnering

Qualify the Financial Advisor's book of business by profile

- Who looks like this and speaks these phrases
- Write down the names
- Which profiles have the most names

Premium Partnering

Quantify the value of each insurance solution

- Each profile has a different compensation value
- Income goals can be estimated
- Effort to reach income goal determined

Premium Partnering

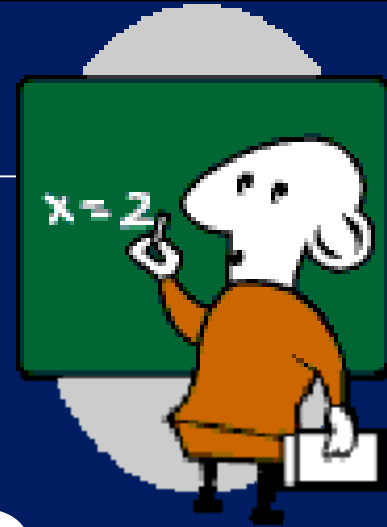
Provide Marketing Approach

- Develop scripts that are comfortable to the Financial Advisor
- Practice and coach the Financial Advisor
- Define the roles that each partner will perform

Premium Partnering

Positive Benefits

- Better, more professional presentations to clients
- Financial Advisor as Relationship Manager
- Scalable, repeatable process



Questions?

Thank you!



Presented by:
AIG Life Brokerage